



**U.S. Environmental Protection Agency • Region 2**

New Jersey, New York, Puerto Rico and the U.S. Virgin Islands  
290 Broadway - New York, New York 10007-1866

[www.epa.gov/region2](http://www.epa.gov/region2)

**Mary Mears 212-637-3669**

**EPA PROPOSES TO APPROVE AN AIR POLLUTION TRADING PROGRAM IN NJ;  
WILL MEET WITH PUBLIC AND TAKE COMMENTS**

**Program Reduces Smog-forming Pollutants 10 Percent Each Time a Trade Is Made**

**FOR RELEASE: Tuesday, January 9, 2001**

(#01001) **New York, New York** – Emissions of nitrogen oxides and volatile organic compounds in New Jersey, precursors to smog, are being reduced in a more cost-effective manner, as a result of an emissions trading program in the state. The U.S. Environmental Protection Agency (EPA) today proposed to approve the program as a formal part of New Jersey's plan to meet federal smog standards by 2007. Under New Jersey's Open Market Emissions Trading Program, which is already being implemented in New Jersey, facilities that have reduced nitrogen oxide or volatile organic compound emissions below permit limits can trade credits to other facilities in order to help them meet requirements. Each time a trade is made, 10 percent of the emissions being traded are retired forever. Nitrogen oxides and volatile organic compounds are important ingredients in the formation of ground level ozone, or smog. New Jersey's Open Market Emissions Trading Program is one of only a handful of such programs in the country.

"This emission trading program provides an innovative way for an air pollution source to reduce emissions," said Jeanne M. Fox, EPA Region 2 Administrator. "Because ten percent of the surplus emission credits that one source sells to another source will be set aside, the overall emissions of NO<sub>x</sub> and VOC in New Jersey will be reduced. While these types of trades are good for business and good for the environment, we want to ensure that local communities can review these rules carefully. Before taking any final action, EPA will take comments and will hold public information sessions."

New Jersey's Open Market Emissions Trading Program allows trading of surplus air contaminant emission reductions, and allows sources subject to certain New Jersey air pollution control requirements to use emission reduction credits to comply with the requirements. The goal is to bring faster, less expensive progress toward New Jersey's air quality goals. EPA is proposing to approve New Jersey's Program on the condition the State makes several revisions to the Program to make it more enforceable and understandable. For instance, EPA is requiring that New Jersey clarify how penalties will be assessed if a facility violates the program, notify more metropolitan planning organizations and federal land managers of the program and its requirements, and provide additional information about the requirement that facilities disclose information about toxics that they emit.

The trading program is included in a revision to the New Jersey State Implementation Plan to reduce ozone or smog pollution. Without this program, many sources would likely ask New Jersey for a waiver from pollution control requirements. Such waivers, if granted, would not have resulted in an overall emission reduction.

Once a public notice is published in the Federal Register, EPA will take public comment for 60 days on its proposed conditional approval of the emissions trading program. The proposed approval will be posted on EPA's web site at [www.epa.gov/region02/air/air.htm](http://www.epa.gov/region02/air/air.htm). In addition, representatives from EPA and New Jersey will hold two public availability sessions to meet with members of the public and discuss New Jersey's State Implementation Plan revision as follows:

**Wednesday, February 7, 2001, 3:00 PM to 5:00 PM, and 7:00 PM at the New Jersey Department of Environmental Protection Building, First Floor Hearing Room, 401 East State Street, Trenton, New Jersey; and, Thursday, February 15, 2001, 3:00 PM to 5:00 PM, and 7:00 PM at Newark City Hall, Room B29, 920 Broad Street, Newark, New Jersey.**